

## Message Text

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ACTION COME-00

INFO OCT-01 EA-07 ISO-00 EB-07 /015 W  
-----003344 111225Z /53  
R 110835Z JUL 77  
FM AMEMBASSY KUALA LUMPUR  
TO SECSTATE WASHDC 7905

LIMITED OFFICIAL USE KUALA LUMPUR 4385

E.O.11652: N/A  
TAGS: BEXP, ETRD, MY  
SUBJECT: NATIONAL FILM CORPORATION

REF: 76 KUALA LUMPUR 5206

1. SUMMARY. EMBOFF RECENTLY SAT IN ON DISCUSSION BETWEEN MOTION PICTURE EXPORT ASSOCIATION OF AMERICA (MPEAA) REPS AND OFFICIAL IN MINISTRY OF TRADE AND INDUSTRY CHARGED WITH SETTING UP NATIONAL FILM CORPORATION (NFC). MPEAA REPS EXPRESSED CONCERNS THAT NFC WOULD TAKE OVER ALL DISTRIBUTION OF FILMS IN MALAYSIA. GOM OFFICIAL STATED THIS UNLIKELY AND THAT, IN ANY CASE, NFC LONG WAYS FROM BEING REALITY. HE FURTHER STATED THAT AFTER BILL CREATING NFC PASSED BY PARLIAMENT (EITHER LATE THIS YEAR OR IN 1978), GOM WILL WELCOME EXCHANGE OF VIEWS WITH PRIVATE SECTOR. MPEAA REPS VERY PLEASED WITH OUTCOME OF MEETING. EMBASSY SOMEWHAT MORE SKEPTICAL OVER VALUE OF EXCHANGE OF VIEWS GIVEN PAST PROBLEMS PRIVATE SECTOR HAS ENCOUNTERED WITH GOM IN THIS AREA. END SUMMARY.

2. EMBOFF RECENTLY ACCOMPANIED MOTION PICTURE EXPORT ASSOCIATION OF AMERICA (MPEAA) REPS ROBERT PERKINS (MANILA) AND NORMAN ALTERMAN (NEW YORK) ON CALL ON ISKANDAR BIN ASTAR, DEPUTY DIRECTOR, INDUSTRY DIVISION, MINISTRY OF TRADE AND INDUSTRY. MPEAA REPS HAD EARLIER REQUESTED EMBASSY TO ARRANGE MEETING AS ISKANDAR IS THE GOM OFFICIAL CHARGED WITH CREATION OF NATIONAL  
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FILM CORPORATION (NFC). MPEAA REPS EXPRESSED THEIR CONCERN OVER WIDESPREAD IMPLICATIONS OF DRAFT LEGISLATION SETTING UP NFC. THEY PARTICULARLY CONCERNED THAT GOM WOULD TAKE OVER ALL DISTRIBUTION OF FILMS THUS CAUSING ASSOCIATION MEMBER COMPANIES TO LOSE EFFECTIVE CONTROL OF THEIR PROPERTY. IF THIS WERE TO HAPPEN, THEY CONTINUED, MPEAA WOULD HAVE NO RECOURSE EXCEPT TO CEASE EXPORTING U.S. FILMS TO MALAYSIA.

3. ISKANDAR EXPLAINED THAT NFC WAS LONG WAY FROM REALIZATION. IT HAS ALREADY BEEN IN WORKS FOR TWO YEARS AND HAS NOT YET BEEN SENT UP TO CABINET FOR REQUIRED APPROVAL PRIOR TO SUBMISSION TO PARLIAMENT. HE ESTIMATED EARLIEST CHANCE FOR PASSAGE WOULD BE IN NOVEMBER SESSION OF PARLIAMENT. ISKANDAR POINTED ALL OF THIS OUT BY MEANS OF EMPHASIZING THAT NFC STILL VERY MUCH IN EMBRYONIC STAGE AND IT DIFFICULT TO STATE WITH ANY EXACTITUDE WHAT ITS ACTUAL POLICIES WITH REGARD TO DISTRIBUTION MIGHT BE. WITH THAT CAVEAT IN MIND, HOWEVER, ISKANDAR INDICATED THAT IT UNLIKELY NFC WOULD INTERFERE WITH PRESENT DISTRIBUTION SYSTEM, AT LEAST INsofar AS AMERICAN FILMS ARE CONCERNED. HE FURTHER STATED THAT AFTER BILL ENACTING NFC PASSED, VIEWS OF PRIVATE SECTOR WOULD BE WELCOMED AND WOULD BE TAKEN INTO ACCOUNT BY GOM.

4. COMMENT: EMBASSY HAS BEEN FOLLOWING IN SOME DETAIL SNAIL-LIKE PROGRESS OF NFC. IN SEVERAL MEETINGS, GOM OFFICIALS HAVE TOLD US THAT ALTHOUGH THEY UNABLE TO MAKE FORMAL PROMISE THAT DISTRIBUTION OF U.S. FILMS WOULD NOT BE INTERFERED WITH, IT UNLIKELY THAT THIS WOULD HAPPEN. REASON GIVEN FOR THIS IS THAT GOM IS NOT PARTICULARLY CONCERNED ABOUT DISTRIBUTION OF U.S. FILMS, RATHER IT IS THE CHINESE FILMS AND FILM COMPANIES THAT REQUIRE CONTROLLING. IT IS SIMPLY TOO EARLY TO TELL IF THESE ASSURANCES ARE VALID OR NOT. HOWEVER, EMBASSY HAS FREQUENT CONTACT WITH GOM OFFICIALS WORKING ON NFC AND WE LIMITED OFFICIAL USE

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WILL CONTINUE TO MONITOR SITUATION CLOSELY.  
MILLER

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NNN

## Message Attributes

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**Channel Indicators:** n/a  
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**Disposition Approved on Date:**  
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**Disposition Date:** 22 May 2009  
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**Review Markings:**  
Margaret P. Grafeld  
Declassified/Released  
US Department of State  
EO Systematic Review  
22 May 2009  
**Markings:** Margaret P. Grafeld Declassified/Released US Department of State EO Systematic Review 22 May 2009